

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:816
ANSWERED ON:28.04.2016
New CAPEX for Solar PV Plants
Gandhi Shri Feroze Varun

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether while determining the new CAPEX for Solar PV plants for financial year 2016-17, the Central Electricity Regulatory Commission (CERC) has assumed that module prices, land and mounting structures cost will remain the same;
- (b) if so, the details thereof and reasons therefor;
- (c) the manner in which the CERC manage the cost system as a result of increase of module prices in lieu of the lower level of domestication of solar PV modules and further contention in WTO;
- (d) the State-wise details of the land chosen to introduce and implement these projects for the solar energy production;
- (e) whether in lieu of increased import of steel, the CERC has assumed that the cost of mounting structures will not vary and the backup cost has been set aside in case of increase in the cost;
- (f) if so, the details thereof; and
- (g) the extent to which this cost Fluctuation may eventually result in stalling of projects and increase in the cost of project and details of safeguards put in place to ensure that eventually projects do not run into losses?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

- (a): No, Madam.
- (b): A statement indicating the benchmark capital cost norm and its breakup for financial years 2015-16 and 2016-17 is given at Annexure I. The basis for arriving at the solar PV module cost, land cost and cost towards mounting structures has been explained in the Order dated 23.3.2016 of the Commission, the relevant extracts of which are given at Annexure-II, Annexure-III and Annexure-IV respectively.
- (c): The issue was examined by the CERC while determining the benchmark capital cost for Solar PV projects for the year 2016-17. The relevant extract from the Order dated 23.3.2016 discussing the issue is given at Annexure II.
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- (d): Under the scheme of Solar Parks, 32 solar parks have been sanctioned and State-wise details covering the land chosen are given at Annexure-V. For other Solar power projects, the land is identified by the project developers.
- (e)&(f): The issue was examined by the Commission while determining the benchmark capital cost for Solar PV projects for the year 2016-17. The relevant extract from the Order dated 23.3.2016 discussing the issue is given at Annexure-IV.
- (g): Solar power projects are selected on transparent bidding basis and the CERC tariff is taken only as benchmark.
